

Congress of the United States
Washington, DC 20515

December 12, 2011

The Honorable Paul Piquado
Assistant Secretary for Import Administration
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, D.C. 20230

Dear Mr. Piquado:

We understand that the Commerce Department is conducting a duty circumvention inquiry covering vanadium pentoxide imports from Russia. As you know, efforts to evade required duties can undermine the ability of U.S. producers to make investments and create jobs.

AMG Vanadium, Inc., a leading domestic producer of ferrovanadium, employs nearly 130 people at its production facilities in Cambridge, Ohio. Currently, the company is undertaking a comprehensive expansion program that is vitally important to AMG Vanadium, Guernsey County, the state of Ohio, and the broader Appalachian region.

We are told that ferrovanadium imports from Russia are subject to a 108 percent antidumping duty. To evade this duty, the largest Russian producer has been shipping a nearly finished form of this product (vanadium pentoxide) to the U.S. and having it "toll converted" into finished ferrovanadium. This conversion step is a simple, one-stage process that adds very little value to the vanadium pentoxide. To fuel this duty-evasion scheme, imports of vanadium pentoxide from Russia have surged – increasing from zero in 2004 to 2,680 MT in 2010.

This flow of ferrovanadium into the U.S. market is inflicting exactly the same type of harm on the domestic ferrovanadium industry that the antidumping order is intended to prevent – price depression, underselling, lost sales and lost market share. Even though AMG Vanadium is a highly competitive, technologically advanced company, its continued viability and its workers' jobs depend on maintaining effective relief from unfairly traded imports.

We believe this situation squarely fits the statutory criteria for taking action against circumvention. We urge you to enforce the statute rigorously and ask that you keep us informed regarding the progress of the circumvention inquiry.

Sincerely,



Sherrod Brown
United States Senator



Rob Portman
United States Senator



Bob Gibbs
Member of Congress